



UNIVERSITI TEKNOLOGI MARA

**CONTRIBUTING DETERMINANTS OF INCOME
INEQUALITY IN MALAYSIA**

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ABSTRACT

This paper analyzes the contributing determinants that will influence the income inequality index in Malaysia. The variables used in this model consist of gross domestic product (GDP), educational attainment namely primary, secondary and tertiary level enrollment and also inflation rate. The data was collected from the Department of Statistic Malaysia, Data Stream, Ministry of Education, World Bank and also Economic Planning Unit within the timeframe of 1993 until 2012. The researcher used Statiscal Package Social Science (SPSS) which is T-statistic, F-Statistic, Durbin Watson and Coefficient of Determination (R²). The analyses found that the GDP, educational attainment; primary, secondary and tertiary enrollment and also inflation rate are significant to determine the income inequality in Malaysia. Secondary education enrollment and GDP are found out to be the main determinants that will influence the income inequality in Malaysia.